

Travel & Tourism – Economic Impacts, 2000

Utah Division of Travel Development



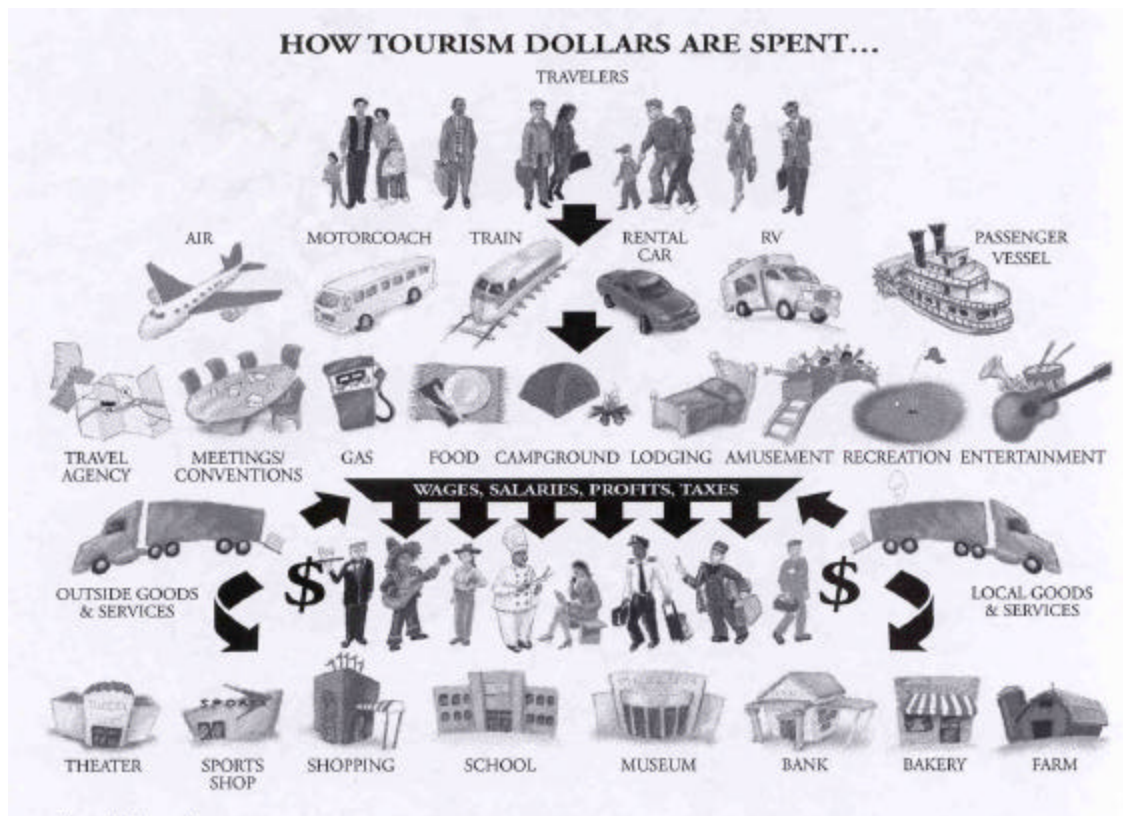
Defining Travel & Tourism

The World Tourism Organization defines the travel and tourism industry as the activities of persons traveling and staying in places outside their usual environment.

Measuring the travel and tourism industry is a complex task, more so since tourism is not an industry in the traditional sense of mining or manufacturing. Rather, the travel and tourism industry is comprised of business sectors that provide visitors with the products and services they need while away from home. Main business sectors within the industry usually include transportation, eating and drinking establishments, hotels and other lodging places, auto rentals and amusement and recreation services. While most tourism businesses reside in the services sector of the economy, the impacts of tourism-related businesses often cross boundaries into other sectors, including retail, construction, government, public utilities, real estate, agriculture and manufacturing.

Quick Facts on Utah Tourism, 2000

- 17.8 million non-resident visitors
- 750,000 International visitors
- \$4.25 billion in travel-related spending
- \$340 million in state and local taxes (\$155 per Utah resident!)
- 121,500 jobs in travel-related industries (one out of every nine jobs in Utah!)
- 5.3 million recreation visitors to Utah's National Parks.
- 5.6 million recreation visitors to Utah's National Monuments and Recreation Areas
- 6.6 million recreation visitors to Utah State Parks
- 21.2 million vehicles crossed state lines along Utah's Interstate Highways
- 19.9 million passengers to Salt Lake City International Airport
- 3.4 million skier days to Utah ski resorts during the 2000/01 season
- 732,000 visitors traveled to Utah Welcome Centers
- 60.9% statewide lodging occupancy rate



Travel & Tourism Tax Revenues, 1999

- \$336 million in combined state and local taxes
 - ✓ \$249 million state revenue
 - ✓ \$88 million local revenue
- \$582 million in gross taxable room rents
- \$17.5 million in transient room tax revenues
- \$20.0 million in restaurant tax revenues
- \$12.7 million in auto rental tax revenues

SOURCE: Utah State Tax Commission



Overview of Tourism-Related Taxes in Utah

Tax	Taxing Authority	Tax Rate	Tax Description	Use of Revenues
Transient Room Tax	Counties (29)	3.0%	Tax on the rent of a suite, room or rooms in motels, hotels, inns or similar public accommodations	<ul style="list-style-type: none"> - Tourism marketing and promotion - Up to 33% to finance tourism development (including construction and/or maintenance) –OR– - Up to 33% to mitigate tourism impacts (4th, 5th and 6th class counties only)
Special Transient Room Tax (part of the TRCC* Tax)	1 st Class Counties (1)	0.5%	Tax on the rent of a suite, room or rooms in motels, hotels, inns or similar public accommodations	<ul style="list-style-type: none"> - Tourism marketing and promotion - Finance tourism development (including construction and/or maintenance)
Municipal Transient Room Tax	Municipalities (20)	Up to 1.5%	Tax on the rent of a suite, room or rooms in motels, hotels, inns or similar public accommodations	<ul style="list-style-type: none"> - General fund use for enacting municipality - Debt service on bonds or other indebtedness
Restaurant Tax (part of the TRCC* Tax)	Counties (24)	1.0%	Tax on sales of prepared foods and beverages sold by restaurants for immediate consumption	<ul style="list-style-type: none"> - Tourism marketing and promotion - Finance tourism development (including construction and/or maintenance)
Leased Vehicle Tax (part of the TRCC* Tax)	Counties (8)	Up to 7.0%	Tax on short-term leases and rental of motor vehicles (some exemptions)	<ul style="list-style-type: none"> - Tourism marketing and promotion - Finance tourism development (including construction and/or maintenance)
Motor Vehicle Rental Tax	State	2.5%	Tax on short-term leases and rental of motor vehicles (some exemptions)	<ul style="list-style-type: none"> - Transportation Corridor Preservation Revolving Loan Fund
Resort Communities Tax**	Municipalities (12)	Up to 1.5%	Tax on purchase price of transactions under the state's sales and use tax laws	<ul style="list-style-type: none"> - General fund use for enacting municipality
Botanical, Cultural and Zoological Tax	Counties (2)	Up to 0.1%	Tax on purchase price of transactions under the state's sales and use tax laws	<ul style="list-style-type: none"> - 30% County recreational facilities - 12.5% County zoological organizations - 52.5% County botanical and cultural organizations

*TRCC – Tourism, Recreation, Cultural and Convention Facilities Tax

** Resort Communities Tax may be levied by municipalities whose transient room capacity is greater than or equal to 66% of the permanent census population